

## **End of Construction**

Once the Architect has determined the work is substantially complete and has issued a Certificate of Substantial Completion (AIA Document G704) the Contractor shall work diligently to satisfy all remaining contractual obligations including completing and/or correcting any remaining punch list items. The Contractor shall not request the Architect's final inspection and a final certificate for payment until they are confident everything is in order including any "Correction Orders" issued by the Minnesota Housing Finance Agency (Minnesota Housing). The Minnesota Housing Staff Architect will typically visit the site to inspect the work around this time as well.

Regardless if loan disbursement is needed during the Construction Phase ("Construction Loan") or if loan disbursement is not needed until after construction is completed ("End Loan") it is important that all site improvements are constructed in accordance with the approved contract documents.

If portions of the work cannot be completed for some time after the work is determined substantially complete and the project status cannot remain open, Minnesota Housing, as a last resort, may approve disbursement of funds for uncompleted work (normally 1.5 times the estimated value) into an escrow account governed by terms of an agreed upon escrow agreement. Funds shall be withheld until all work is complete and all terms of the escrow agreement are satisfied.

The Contractor is required to submit a certificate of actual costs in a form acceptable to Minnesota Housing whenever:

1. Minnesota Housing's loan has or is going to be submitted to the United States Department of Housing and Urban Development (HUD) for insurance under HUD's Housing Finance Agency Risk-Sharing Program and there is an identity of interest between the Owner and Contractor. Such cost certification must be audited by an independent public accountant in accordance with requirements established by HUD.
2. Or, Minnesota Housing's loan is an "End Loan".

**Purpose:** To mark completion of the project. This typically involves taking the project from the point of "substantial completion" to final completion and payment of the Contractor. This is often referred to as "project closeout".

**Contractor's Role:** The Contractor's role during the End of Construction processing stage generally consists of the following:

1. Executing the Certificate of Substantial Completion prepared by the Architect.

2. Completing the work called for by the contract including all punch list items and any "Corrections Orders" issued by Minnesota Housing.
3. If rehab, providing evidence that all permits are closed out.
4. Obtaining final certificate(s) of occupancy (if applicable).
5. Requesting the Architect's final inspection of the work and a final application for payment.
6. Providing an affidavit that all payrolls, bills for materials and equipment, and other indebtedness connected with the work for which the owner might in any way be responsible, have been paid or otherwise satisfied.
7. Providing certification of actual costs to Minnesota Housing when applicable (see above).
8. Providing consent of surety to the final payment when applicable.
9. Executing the "Certification of Compliance" form, as initiated by the Architect, associated with the Minnesota Housing Multifamily Sustainable Housing Standards and forwarding it to the Owner.
10. Performing any other duties associated with the project closeout process as required by the Owner and Contractor Agreement.

Once the Architect issues the Contractor's final certificate for payment it typically marks the end of the End of Construction phase. If an as-built survey is required after the work is complete Minnesota Housing may withhold final payment to the contractor until the as-built survey is complete and Minnesota Housing is satisfied with the results.

At approx. 11-months following the date of substantial completion a warranty inspection may be required involving the Contractor. Refer to the Warranty Period of the development process.